



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Albert Balagso

**SUBJECT: COMMUNITY ACTION AND PRIDE GRANTS**     **DATE:** 05-17-06

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Approved	/s/	Date	05/24/06
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## **RECOMMENDATION**

Accept the report on the policies and procedures of the Community Action and Pride (CAP) grants for increased monitoring of grant funds.

## **BACKGROUND**

On March 17, 2006, the Mayor's March Budget Message directed the City Manager to report back to the City Council during the budget process with a plan for increased monitoring of CAP grant funds to ensure that they are used for the specified community events or projects.

## **ANALYSIS**

Parks, Recreation and Neighborhood Services (PRNS) has developed additional CAP policies and procedures as part of the recommendations from the Citywide Grants Audit and the January 2006 Civil Grand Jury CAP program review. The following specifies those policies and procedures that have been implemented as recommended in both the Citywide Grant Audit and the Civil Grand Jury CAP audit, in order to ensure accountability and to increase the grant monitoring process:

- City will enter into a Memorandum of Understanding (MOU) with the neighborhood association receiving a grant. The MOU shall specify the grant period, amount of the grant, the specific community event or project funded, and specific budget amounts associated with each event or project. The MOU will be executed using normal City processes. Upon notification by the City of an executed MOU with the grantee, the fiscal agent will release a check for the amount granted. Two representatives of the organization must sign for the receipt of check from the fiscal agent. Grant award checks will be valid for 90 days and must be cashed within this time period. If the check is not cashed before the expiration date, the grant award will be considered forfeited.
- A Mid-Year reporting requirement has been established and is required by all grantees. This ensures notification of any project delays and allows staff to address any issues that may prevent or hinder project completion.
- Final Grant reports include submission of a project narrative and a final expense report that includes copies of all receipts of allowable expenses. Non-receipted expenses will

not be allowed. Any unspent or “unallowable” expenses must be returned to the City before a grant can be considered closed.

- Applicants with outstanding or incomplete CAP grants from previous cycles are not eligible to apply for CAP funding until the previous CAP cycle’s projects are closed. This does not include grantees funded under the last cycle that have closed all grants from previous cycles. As an example, CAP Grantees for current cycle 19 (grant period ends on April 30, 2006) are eligible to apply for Cycle 20 (grant period begins on May 1, 2006) provided they have no open grants from cycles prior to Cycle 19. As a result of this policy, associations have begun closing out their grants or returning unspent funds to the City. Since, January 2006, approximately \$183,000 has been returned.
- The City uses a Fiscal Agent to disburse grant funds to the neighborhood associations. In addition, the Fiscal Agent is contracted to conduct site visits in order to monitor the progress of the projects.

PRNS has also developed the following additional policies and procedures:

- Grantees funded under the last cycle may apply and be funded for an upcoming grant cycle; however, disbursement of new funding will be contingent upon acceptance of the final grant report from the previous cycle. Any exceptions must be approved by the PRNS Director or Director’s designee.
- Change requests may be submitted at any time during the contract service timeline. Changes to the original scope must be completed by the end of the grant period unless an approved extension request is on file already.

## **CONCLUSION**

PRNS staff has put into place policies and procedures that more closely monitor the CAP grant funds and ensures funds are used for the specified community events or projects. Staff will work with the citywide Strong Neighborhoods Initiative (SNI) staff to explore methods to increase accountability for grant funds awarded to the community. Exploration of this program as a source and mechanism for the SNI citywide process will be brought forward through the Building Strong Neighborhoods Committee.

## **COORDINATION**

This MBA has been coordinated with the City Attorney’s Office.

/s/  
ALBERT BALAGSO  
Acting Director of Parks, Recreation  
and Neighborhood Services